

Recommendations & Summary Report Tennessee Driver License Division

FedEx Corporation, Office of Governor Phil Bredesen, and Tennessee Department of Safety

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Project Objectives

Develop an executable plan to improve and maintain performance at all driver license stations for all services offered as measured by:

Customers

Speed and accuracy of service delivery

Statutory requirements

Transaction costs

Minimize the cost impact, where possible, by improving the efficiency of existing processes and systems

Implement and document the quick wins

Cooperative effort by the Office of the Governor, Department of Safety, and FedEx Corporation

Success ultimately lies with the Department of Safety during implementation



Executive summary - Issues

Customers want fast service, alternate ways to receive services, and information

Customers arrive 1+ hours before the station opens creating a lasting backlog throughout the day

Many actions required of the examiners do not directly support a goal of quickly serving the customer

Customers are not fully educated about what is required of them and the services offered through self-service channels and the county clerk offices

Many stations exceed rated occupancy

A high percentage of customers fail the knowledge test on the first and second attempts, further increasing station traffic



Executive summary - Recommendations

Open all stations at 0700 and close at 1730

Increase the mix of part time to full time examiners to meet daily demand peaks

Institute and guarantee appointments for “in-station only” services (e.g., new DLs)

Expand customer reach through self service channels, meeting customer requirements while reducing station traffic

Educate the public about available services, requirements, and delivery options

Improve examiner efficiency by adding needed equipment (printers, copiers, cash registers, etc.) and reconfiguring/improving service areas where possible

Fully implement the Q-Matic queuing system and use it to measure and improve service and reduce waiting times

Develop and enforce standardized processes across the division

Set meaningful performance goals and manage to those goals using a continuous improvement process



Recommendations - Improvement strategy

Meet or exceed customer requirements for quality service, fast service, alternate delivery channels, and complete service information

Stations

- Identify and match the staffing to meet daily traffic peaks
- Use peak smoothing techniques to keep variances to a minimum (e.g. open earlier in the day, use appointments)
- Improve labor efficiency

Make available and promote customers' completing pre-visit activities including applications and practice tests

Aggressively expand the availability and use of self-service channels

Develop communications methodology and operating policies to steer customers to the desired delivery channel



Recommendations – Fast Service


Priority	Recommendation – Fast Service	Impact	Est. Cost	Comments
High	Extend hours of operation to begin at 0700. Standard hours for all stations would be 0700 - 1730	Reduce wait	None	Use part time examiners or create split shifts. Prevent large queue from forming
High	Ensure that all station staffing is available to service early arriving customers	Reduce wait	None	Revise operating procedures. Use part time examiners to meet daily traffic peaks
High	Stagger break and lunch schedules at stations to keep staff availability high	Reduce wait	None	Revise operating procedures. Increase examiner availability to provide service
High	Institute time limits for knowledge testing. Stop test when 7 questions are answered incorrectly	Reduce process and waiting time	None	Current feature of test machines. Process change
High	Institute appointments for services with long times	Smooth flow	TBD	Implement through internet, hot line
Medium	Determine peak traffic by day (Tuesday for system) by station and schedule staffing to match.	Reduce wait	None	Use Q-Matic for source data. Use PT examiners or split shifts
Medium	Reduce examiner travel time to printers and photocopiers	Reduce process time, efficiency	Gov. grant	Reconfigure counter space or provide additional printers/copiers
Medium	Eliminate manual reconciliation of daily receipts	Efficiency	None	Provide cash registers now under contract
Medium	Program cash register to generate a descriptive receipt instead of photocopying the application	Efficiency	TBD	Included in current contract

Action taken since start of project



Recommendations – Alternate Channels


Priority	Recommendation – Alt Channels	Impact	Est. Cost	Comments
High	Issue drivers licenses for 10 years instead of 5 (7 max).	Reduce demand – Legislative change	None	Cannot be enacted until January 2006. Phasing needed to achieve full impact
High	Provide customers early access to the application so it is completed before arrival.	Reduce process time, efficiency	None	Applies to new licenses – Include in next printing of Driver Handbook. Make available at other points of contact.
High	Promote internet services, increasing awareness and usage from homes and businesses	Reduce demand at stations	TBD	Develop on-going communications campaign. Redesign site look and feel.
High	Enhance usage of internet access at stations: <ul style="list-style-type: none"> •Increase awareness as an alternative to waiting •Modify internet application for station use, integrating it with station operations •Allow cash and credit card payments. 	Reduce demand at station counters	\$5.21/trans	Create an express line for station internet customers – photo and card Place kiosks in all stations. Rewrite application to match station ops. Coordinate with ATM's.
Medium	Evaluate viability of providing services though bank ATM's. (Develop a similar unit as an alternative)	Reduce demand at stations	TBD	Services currently available via the internet. Discuss with a bank partner.
Medium	Evaluate expanding renewal program to allow acceptance of mailed renewals at grocery, banks, etc.	Reduce station traffic, increases data entry at DOS	TBD	CT uses AAA locations. Send to DOS for processing.

 Action taken since start of project



Recommendations – Customer Knowledge

Priority	Recommendation – Cust Knowledge	Impact	Est. Cost	Comments
High	Prepare simple brochure(s) that can be located within station lobbies and other public buildings, outlining the services, channels, and requirements	Reduces process time	\$0.15/each	Plain paper, tri-fold, 2-3 color.
High	Implement a centralized call center (expand current hot line) to answer all questions. Use automated attendant as a front end. Eliminate phone coverage at stations.	Reduces process time, provide consistent information	TBD	Unique questions should be addressed by agents. Fund operations by eliminating the telephone support provided by examiners at each station. Measure current telephone traffic
High	Determine the reasons for high knowledge test failure rate.	Reduce station traffic	TBD	Failure: 50% first time, 48% second time. Redesign test and provide more opportunity to practice .
Medium	Prepare and post a standard signage package in stations	Reduces process and waiting time	TBD	Present a focused, consistent message to all customers. Include <u>all signs</u> .
Medium	Publish a Driver Study Guide focusing on important items. Separate legal requirements from courtesy	Increase knowledge test pass rates	\$0.30/copy or less	Supplement to the Driver Handbook. Include practice tests.

 Action taken since start of project



Recommendations - Performance

Priority	Recommendation – Performance Measurement and Improvement Goals	Comments
High	Service time – Meet goals for in-station times by service	Performance measures and action plan required
	Waiting time – Call customers within 15 minutes (average) of arrival	Current average wait is 22-27 min.
	Waiting time – 30 minutes maximum wait for any customer	Many customers wait for hours to receive service
	In-Station Customers - Reduce in-station counter customers system wide by <ul style="list-style-type: none"> • Increasing non-station traffic for Renewals, Duplicates, MVRs, and Reinstatements • Increasing County Clerk traffic (as determined to be cost effective) 	Performance measures and action plan required
	Set station and district level goals to support system goals	Performance measures and action plan required at each level of the organization
	Use auditable and reconcilable data sources. Develop consistent and well understood data definitions (e.g. reinstatement, changes)	Ensures that there is clear understanding of the basis for each performance measurement
	Develop quality measures (errors/1000 transactions) and operating effectiveness measures (transactions/examiner-day)	Develop and use for routine management




Recommendations - Customers

Priority	Recommendation – Customers	Impact	Est. Cost	Comments
High	Complete a standard satisfaction survey every 6 months	Focused service	TBD	Contract through market research agency
High	Update Customer Comment cards to measure defined requirements	Focused service	None	Customer research study has been conducted.
Medium	Implement internet survey for customers recently completing a transaction.	Focused service	None	Target survey for specific services to gauge satisfaction. Print a URL and code on the receipt for customer to access and complete the survey. NIC to implement under current contract
Medium	Conduct a comprehensive customer surveys/interviews every 2 years to reassess/confirm requirements	Focused service	\$5k	Conduct using intern labor



Recommendations - Organization

Priority	Recommendation – Organization	Impact	Est. Cost	Comments
High	Create an analyst position (industrial engineering/quantitative science background), supported by a clerk, both reporting to the Director.	Process control, goal setting and management	\$100k / year or less	Recommends process improvement/ performance goals, measures performance, provides progress and feedback to stations and management, monitors and reports corrective actions. Manages the Q-Matic system.
High	Implement standard process flow	Efficiency, consistent customer experience	None	Manage process change through the flow chart/operating procedures.
High	Create checkpoints (dates) for progress in implementing these recommendations.	Successful implementation	None	Governance of implementation process. High level management involvement.
Medium	Create examiner incentives to increase the number of quality transactions/hour.	Increased efficiency	TBD	Use awards, special recognition, link to merit raises.
Medium	Authorize district and station supervisors to make necessary equipment repairs and limited purchases without main office approvals	Minimize disruption to the process flow	None	Limit authority to meet governance/fiscal rules

 Action taken since start of project



Recommendations - Other

Priority	Recommendation – Other	Impact	Est. Cost	Comments
High	Deploy the Q-Matic system at all stations: <ul style="list-style-type: none"> •Set maximum wait time for each service type •Allow the system to manage flow – don't over-ride •Maintain consistent and comparable (system wide) service definitions •Use the reports to help understand and improve station flow •Use data to feed the performance measures for transaction and wait times 	Consistent, reliable transaction measures	None	Maximize the benefits of the new system. Manage closely to maintain accuracy and data integrity.
High	Establish and communicate the parameters for opening a new station	Eliminate opening inefficient stations	None	Parameter provide the minimum threshold.
Medium	Create a state map showing the population over age 15, overlaid with the current station locations	Displays any mismatch of station location to population served.	TBD	Effective method for verifying and determining station locations. Update with new census data when available. Supplement with addresses from driver database.
Medium	Change operating days for Tuesday-Friday stations to Monday-Friday	Reduces confusion over operating hours	None	Increased availability to customers, easier to communicate and remember.



Traffic/Capacity analysis findings

Average customer wait time is between 22 minutes (T– F stations) – 27 minutes (M-F stations) with 47% of all customers waiting 30 minutes or longer

Initial morning peak creates customer backlogs that last most of the day

Stations with earlier opening times had smaller backlogs

Number of operating days per week does not influence traffic flow

Tuesday is the peak day of the week for all stations

Labor efficiency (customers x transaction time/available time) is estimated to be 82% (including the 12 open examiner positions)

Based upon customer demand, 4 stations are severely undersized with 6 somewhat to marginally undersized. Accompanying adult and children were not considered



Traffic/Capacity analysis findings (cont'd)

Alternate channels

Shifting traffic from stations to self service channels saves customers time but provides little cost savings

50% of all transactions could potentially be processed outside of stations. Nearly half of these are currently be being processed in-station

Service from county clerks cost customers an additional \$4 per transaction

In-station kiosks have attracted little traffic to date

US Mail is the #1 self service channel (12%) followed by the internet (8%) and county clerks (7%)

The DOS is correct in its internet strategy and efforts and plans to move MVRs to the web



Facility capacity findings

Based on current traffic, there are 10 stations potentially over capacity (i.e., exceeding approved occupancy rating)

Stations Over Capacity	Rated Occupancy (# Persons)	# Customers (Peak)	# Staff	# Over Capacity
102 Whitehaven	54	64	19	-29
103 Hickory Ridge Mall	50	79	4	-33
110 Dyersburg	9	33	6	-30
303 Southeast	40	74	3	-37
350 Lebanon	31	36	4	-9
502 Chattanooga	102	89	16	-2
511 Athens	15	13	3	-1
520 Manchester	15	17	7	-9
710 Lafollette	9	7	3	-1
801 Blountville	61	60	10	-9

Depending upon the timing for migrating traffic to alternate channels, most facilities could remain under capacity for many years



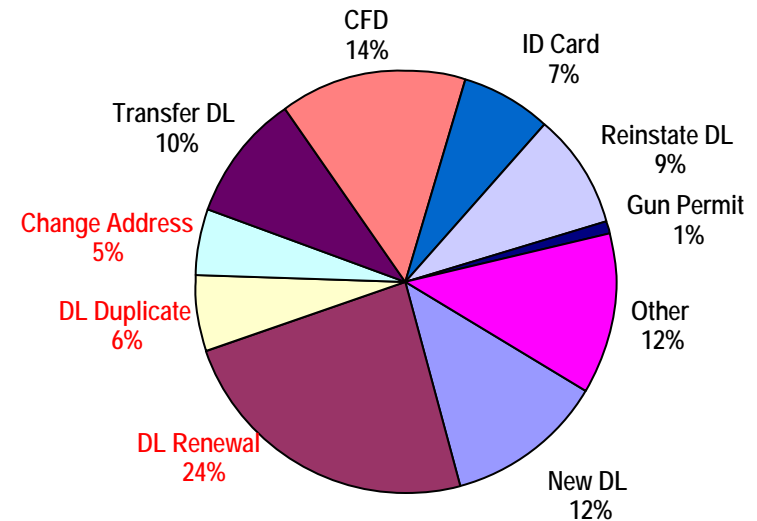
Internet usage

Based upon the Exit Interviews

78% of respondents would use the internet

71% would use kiosks located in the stations

35% of customers interviewed could potentially have been diverted to the internet for service



**Customers by Service Type
N=494**



Survey/Interview Conclusions

Customers' top priorities (in order) are:

Fast service, "How important is fast service, getting your license or the item you came for quickly?"

- Customers seem fairly patient with total station times of up to an hour
- Satisfaction falls significantly when self-reported total times exceed 45 – 60 minutes.

Alternate channels, "Being able to get a license, renew it and so on without coming down to a station?"

- Customers with access would use the internet at the station or to avoid having to go to the station. A large number of station visitors could be serviced by the internet.

Customer knowledge, "How important is it to you to know everything that is needed to get a license or the item that you came for?"

- Customer knowledge is very bimodal (either very important or not important)—presumably this is not a priority for customers that already know what is required...improvement processes must not be mandatory for these customers



Survey/Interview Conclusions

Pleasant Experience has the only passing grade for customer satisfaction

82% of customers completed the desired service during their visit

Of the customers not completing the service

- 30 failed a test (6%)
- 25 had the wrong documents (5%)
- 23 did not for unknown reasons (4.6%)



Phase 1 Implemented Recommendations

Recommendation	Impact	Est. Cost
Stagger break and lunch schedules at stations to keep staff availability high	Fast Service Reduce wait	None
Institute time limits for knowledge testing. Stop test when 7 questions are answered incorrectly	Fast Service	None
Determine the reasons for high knowledge test failure rate. Failure: 50% first time, 48% second time. Redesign test and provide more opportunity to practice. Provide Spanish language practice tests.	Reduce wait Alternative Channel	None
Program or upgrade cash registers to generate a descriptive receipt instead of photocopying the application. Secure carbonless two-part applications.	Fast Service Efficiency	\$75,000
Develop consistent and well understood data definitions (e.g. reinstatement, changes). Use data sources that ensure daily reports can be audited and reconciled.	Organizational performance	None
Create a state map showing the population over age 15, overlaid with the current station locations	Displays station location to population served.	None
Implement standard process flow	Efficiency Consistent customer experience	None
Phase 1 – Total Estimated Cost		\$75,000



Phase 2 Implemented Recommendations

Recommendation	Impact	Est. Cost
Purchase IVR (Integrated Voice Response) telephone system to create a centralized Call Center to: Eliminate routine customer phone calls allowing employees to focus on non-routine calls Allow customers to make appointments by phone	Fast Service Provide consistent information Organizational performance	\$200,000
Fully implement and manage the Q-Matic System to: Set maximum wait time for each service type Allow for traffic flow management and improvements Maintain consistent and comparable system-wide service definitions	Organizational performance Process control Goal setting and management	None
Install self-service kiosks in remaining 26 DL stations for renewals, duplicates and address changes.	Fast Service Alternative Channel	\$32,500
Fully implement A2G (Access to Government) cashiering system to eliminate manual reconciliation of daily receipts.	Organizational performance Efficiency	None
Fill 36 vacant examiner and clerk positions	Fast service	None
Prepare and distribute brochures outlining services, alternate channels and requirements	Alternative service channel	\$75,000
Develop quality performance measures (errors/1000 transactions) and operating effectiveness measures (transactions/examiner-day)	Organizational performance Consistent service	None
Phase 2 – Total Estimated Cost		\$307,500

